

SENATOR BEUTLER: Mr. Speaker, members of the Legislature, with regard to distilled spirits, that particular portion of the bill, this five-year deal that we are concluding here would provide that the \$2.75 per gallon that is tax now would increase to \$3.00 a gallon over that five-year period. As I tried to indicate in my conversation with Senator Johnson, it appeared to me that that represented, if you are talking about just keeping up with inflation, that represented about 2 percent a year increase. I guess we can all make our individual judgments about what the rate of inflation is likely to be over this next five-year period, but for myself, I would like to make a basic assumption of at least 3 percent a year. And if you figure inflation at 3 percent a year and if you figure that at least we should keep the tax up with what it was or its equivalent today, then that would mean that the increase in 1987 should be somewhere around \$3.15 a gallon instead of \$3.00 a gallon. And that, basically, is the thrust of my amendment to increase that distilled spirits tax effective October 1, 1987 from \$3.00 to \$3.15. And I sure hope that the people who put this deal together are free to have an open mind at this particular point in time because it is going to be difficult to make changes otherwise, I suppose. I would move the adoption of the amendment.

SPEAKER NICHOL: Okay, I have several lights on and I don't know which one wishes to speak to the Beutler amendment. May I see hands? Okay. Senator Nelson, then Senator Vard Johnson.

SENATOR NELSON: I would like to speak to Senator Beutler. In the first place, we are only assuming 3 percent and I think we are nitpicking. The 15 cents on the spirits is not going to make or break either one of us. As an example, on the federal level spirits have not been increased since 1951. They are to increase October 1st of 1985. During that period of time there will be a 19 percent increase. So if my math serves me right, I will say 19 percent in 34 years on the federal level. So I think whether we come 10 cents one way or 15 cents the other way, I can say that we are guessing and we are assuming one way or the other and I call it nitpicking now.

SPEAKER NICHOL: Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker and members of the body, I